

21 Foundations, Union Got Money From CIA

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WASHINGTON — "The J. M. Kaplan Fund has been operating as a conduit for channeling CIA funds," Rep. Wright Patman (D-Tex.) told a hearing conducted more than two years ago by his House Committee on Small Business.

When Patman uttered these words on Aug. 31, 1964, he was trying to evoke public testimony from security-conscious officials of the Internal Revenue Service. They refused to confirm his information about a tie between the Central Intelligence Agency and the Kaplan Fund or to testify publicly about eight mysterious foundations that had contributed to it.

Patman's statements created a short-lived sensation that died in a closed-door meeting between the committee and the IRS officials. The topic was dropped in subsequent hearings; government sources clammed up. Nothing remained but Patman's charge and the names of eight of the 17,000 private foundations in the United States.

Mystery Organizations

Those eight organizations remain mysterious, two and a half years after Patman first opened the public record on CIA's long-secret use of private foundations as camouflaged conveyor belts for funds that have helped at least 50 private organizations that work in the foreign field.

The crack that Patman inflicted in CIA's cover has broken wide open in the past two weeks. Following disclosure that CIA had passed about \$4 million over a 15-year period to the National Student Assn., it has come to light that CIA money has helped pay for programs sponsored by students, educators and scholars, journalists, labor unions and apparently by a few church groups.

There is even a suspicion that CIA money filtered through a mysterious foundation contributed to the defeat of British Guiana's former Marxist Premier Cheddi Jagan in 1964.

Gotham Foundation

Arnold Zander, former president of the American Federation of State, County and Municipal Employees, has stated that \$60,000 a year reached the Washington office of the AFSCME from the Gotham Foundation, an apparent CIA front, and passed on to Public Services International, a union that organized strikes against Jagan in 1962-63.

It is impossible to estimate accurately the total amount CIA has moved through foundation channels to support selected ventures. Estimates are that \$4 million has been moved in a decade and a half to NSA, that another \$1 million was conveyed through the American Newspaper Guild in two years.

Only fragments of the puzzle appear in the discreetly worded reports which foundations are supposed to file yearly on IRS Form 990-A. The portion of these forms available to the public provides for itemization of donations paid out, but not of funds received. In some cases, the sources of funds are available in the Patman Committee's records.

18 'Foundations'

Some 990-A forms have been unavailable for a variety of reasons. Among them are the reports of 18 "foundations" and "trusts" which have no apparent reason for being except as CIA fronts.

Eight of these operations were named by Patman when he demanded a public accounting from IRS. He got his answer in executive session, but public answers two years later are curiously lacking.

Patman named the groups contributing to the Kaplan Fund as the Edsel, Beacon, Michigan, Price, Kentfield and Andrew Hamilton Funds, the Borden Trust and the Gotham Foundation.

Regarding five of these, Edsel, Beacon, Price, Borden

and Kentfield, an IRS spokesman last week would say only: "We have no public record of those and we have no explanation of why." The IRS would not say why records that were open to Patman are unavailable now. But it readily reported that the Andrew Hamilton fund had never filed a Form 990-A. The spokesman said files were being searched for data on Michigan and Gotham.

IRS, once again, reported "no public record" on five of the remaining 10 groups identified as original money sources: the Monroe, Heights, Tower, Willford-Telford and San Miguel Funds. Its file clerks have yet to produce records on four more, the Granary Fund, the Warden Trust and the Chesapeake and Broad-High Foundations. The last one, known as the San Jacinto Foundation, was said not to have filed Form 990-A.

Paper Curtain

On the other side of the paper curtain at IRS, the disillusioned officers of NSA told what they knew: that NSA had been substantially helped by three private foundations they called CIA intermediaries, as well as by the faceless San Jacinto Foundation of Houston.

They named the Sidney and Esther Rabb Foundation and the Independence Foundation, both of Boston, and the Foundation for Youth and Student Affairs of New York. Officers of the three groups kept silence.

These names led to searches of 990-A forms and Patman's files that opened new doors to more and more groups. Sometimes, there was direct evidence of assistance from the 18 funds believed to be prime dispensers of CIA funds. In other cases, monies were so commingled that positive identification was impossible.

Three Levels

Some donations were traced through three levels of giving, from various of the 18 presumed "front" foundations, on through private foundations that regularly benefited from the fronts, on to foundations with no discernible tie to CIA.

The available material discloses 22 foundations and one labor union that have received funds from CIA-connected sources and have in turn passed money on to 51 working-level organizations.

Following is a listing of the 00240002 sources of funds where available, each followed by significant beneficiaries whose names show in available records.

INDEPENDENCE FOUNDATION, Boston, (held mortgage on NSA headquarters): National Student Assn. (\$256,483—1960-65)

International Student Conference, Leyden, Holland
World Assembly of Youth, Brussels

U.S. Youth and Students Council, New York

Independent Research Service Educational Foundation, New York (\$145,000—1962-63)

International Marketing Institute, Boston (\$101,000—1963-64)

J. FREDERICK BROWN FOUNDATION (same address and trustees as Independence Foundation):

American Friends of the Middle East (\$35,000—1964)

American Society of African Culture (\$38,000—1962-64)

Committee of Correspondence (\$5,000—1962)

American Fund for Free Jurists (\$25,000—1964)

Pan American Foundation (\$20,000—1964)

Foreign Policy Research Institute, University of Pennsylvania (\$5,000—1964)

National Education Assn. (\$11,000—1962)

International Development Foundation (\$17,000—1964)

FOUNDATION FOR YOUTH AND STUDENT AFFAIRS, New York (reported \$1,527,488 in 1965 donations)

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to 26 groups; sources unlisted. A partial list of 1965 recipients follows:

National Student Assn. (\$405,791)

World Assembly of Youth (\$314,577)

International Student Conference (\$273,248)

U.S. Youth Council (\$151,478)

International Union of Socialist Youth (\$99,533)

Oficina Relacionada Movimientos Estudiantiles Universitarias (\$72,718)

Young Christian Workers (\$19,350)

International Union of Young Christian Democrats (\$16,612)

AMERICAN NEWSPAPER GUILD, Washington (received \$200,000 in 1960-63 from the granary funds; \$90,000 in 1964 from Andrew Hamilton Fund; \$704,000 in 1965-66 from Chesapeake and Broad-High Foundations and Warden Trust);

Inter-American Federation of Working Newspapermen, Panama, and International Federation of Journalists, Brussels (shared \$1,004,000—1960-64)